

*Department of Real Estate
of the
State of California*

**HUD/OCRA
FINAL SUBDIVISION PUBLIC REPORT
PLANNED DEVELOPMENT**

In the matter of the application of

N.R.L.L. EAST, LLC,
A FLORIDA LIMITED LIABILITY COMPANY

FILE NO.: **010253SA-A16**

ISSUED: **SEPTEMBER 22, 1972**

RENEWED & **JULY 13, 2007**
AMENDED:

for a Final Subdivision Public Report on

EXPIRES: **JULY 12, 2012**

CALIFORNIA PINES HILL UNIT NO. 5

JEFF DAVI.
Real Estate Commissioner

MODOC COUNTY, CALIFORNIA

by *ty matt*
Deputy Commissioner

CONSUMER INFORMATION

- ❖ **THIS REPORT IS NOT A RECOMMENDATION OR ENDORSEMENT OF THE SUBDIVISION; IT IS INFORMATIVE ONLY.**
- ❖ **BUYER OR LESSEE MUST SIGN THAT (S)HE HAS RECEIVED AND READ THIS REPORT.**
- ❖ A copy of this subdivision public report along with a statement advising that a copy of the public report may be obtained from the owner, subdivider, or agent at any time, upon oral or written request, *must* be posted in a conspicuous place at any office where sales or leases or offers to sell or lease interests in this subdivision are regularly made. *[Reference Business and Professions (B&P) Code Section 11018.1(b)]*

This report expires on the date shown above. All material changes must be reported to the Department of Real Estate. *(Refer to Section 11012 of the B&P Code; and Chapter 6, Title 10 of the California Administrative Code, Regulation 2800.)* Some material changes may require amendment of the Public Report; which Amendment must be obtained and used in lieu of this report.

Section 12920 of the California Government Code provides that the practice of discrimination in housing accommodations on the basis of race, color, religion, sex, marital status, domestic partnership, national origin, physical handicap or ancestry, is against public policy.

Under Section 125.6 of the B&P Code, California real estate licensees are subject to disciplinary action by the Real Estate Commissioner if they discriminate or make any distinction or restriction in negotiating the sale or lease of real property because of the race, color, sex, religion, ancestry, national origin, or physical handicap of the client. If any prospective buyer or lessee believes that a licensee is guilty of such conduct, (s)he should contact the Department of Real Estate.

READ THE ENTIRE REPORT ON THE FOLLOWING PAGES BEFORE CONTRACTING TO BUY OR LEASE AN INTEREST IN THIS SUBDIVISION.

COMMON INTEREST DEVELOPMENT GENERAL INFORMATION

Common Interest Development

The project described in the attached Subdivision Public Report is known as a common-interest development. Read the Public Report carefully for more information about the type of development. The development includes common areas and facilities which will be owned and/or operated by an owners' association. Purchase of a lot or unit automatically entitles and obligates you as a member of the association and, in most cases, includes a beneficial interest in the areas and facilities. Since membership in the association is mandatory, you should be aware of the following information before you purchase:

Governing Instruments

Your ownership in this development and your rights and remedies as a member of its association will be controlled by governing instruments which generally include a Declaration of Restrictions (also known as CC&R's), Articles of Incorporation (or association) and bylaws. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law. Study these documents carefully before entering into a contract to purchase a subdivision interest.

Assessments

In order to provide funds for operation and maintenance of the common facilities, the association will levy assessments against your lot or unit. If you are delinquent in the payment of assessments, the association may enforce payment through court proceedings or your lot or unit may be liened and sold through the exercise of a power of sale. The anticipated income and expenses of the association, including the amount that you may expect to pay through assessments, are outlined in the proposed budget. Ask to see a copy of the budget if the subdivider has not already made it available for your examination.

Common Facilities

A homeowner association provides a vehicle for the ownership and use of recreational and other common facilities which were designed to attract you to buy in this development. The association also provides a means to accomplish architectural control and to provide a base for homeowner interaction on a variety of issues. The purchaser of an interest in a common-interest development should contemplate active participation in the affairs of the association. He or she should be willing to serve on

the board of directors or on committees created by the board. In short, "they" in a common interest development is "you". Unless you serve as a member of the governing board or on a committee appointed by the board, your control of the operation of the common areas and facilities is limited to your vote as a member of the association. There are actions that can be taken by the governing body without a vote of the members of the association which can have a significant impact upon the quality of life for association members.

Subdivider Control

Until there is a sufficient number of purchasers of lots or units in a common interest development to elect a majority of the governing body, it is likely that the subdivider will effectively control the affairs of the association. It is frequently necessary and equitable that the subdivider do so during the early stages of development. It is vitally important to the owners of individual subdivision interests that the transition from subdivider to resident-owner control be accomplished in an orderly manner and in a spirit of cooperation.

Cooperative Living

When contemplating the purchase of a dwelling in a common interest development, you should consider factors beyond the attractiveness of the dwelling units themselves. Study the governing instruments and give careful thought to whether you will be able to exist happily in an atmosphere of cooperative living where the interests of the group must be taken into account as well as the interests of the individual. Remember that managing a common interest development is very much like governing a small community ... the management can serve you well, but you will have to work for its success. [B & P Code Section 11018.1(c)]

Informational Brochure

The Department of Real Estate publishes the Common Interest Development Brochure. The information in this brochure provides a brief overview of the rights, duties and responsibilities of both associations and individual owners in common interest developments. To obtain a free copy of this brochure, please send your request to:

Book Orders
Department of Real Estate
P.O. Box 187006
Sacramento, CA 95818-7006

RE 646 (Rev. 1/97)

SPECIAL NOTES

1. IF YOU RECEIVED THE PUBLIC REPORT PRIOR TO SIGNING A CONTRACT OR AGREEMENT, YOU MAY CANCEL YOUR CONTRACT OR AGREEMENT BY GIVING NOTICE TO THE SELLER ANY TIME BEFORE MIDNIGHT OF THE SEVENTH DAY FOLLOWING THE SIGNING OF THE CONTRACT OR AGREEMENT.

IF YOU DID NOT RECEIVE THE PUBLIC REPORT BEFORE YOU SIGNED A CONTRACT OR AGREEMENT, YOU MAY CANCEL THE CONTRACT OR AGREEMENT ANY TIME WITHIN TWO YEARS, FROM THE DATE OF SIGNING.

IF A WARRANTY DEED OR ITS EQUIVALENT IS NOT DELIVERED WITHIN 180 DAYS OF THE SIGNING OF THE CONTRACT OR AGREEMENT OF SALE (PURCHASE AGREEMENT), THE PURCHASER IS ENTITLED TO CANCEL THE CONTRACT WITHIN TWO YEARS FROM THE DATE OF SIGNING THE CONTRACT OR AGREEMENT (PURCHASE AGREEMENT).

2. GEOLOGIC CONDITIONS: THE UNIFORM BUILDING CODE, APPENDIX CHAPTER 33, PROVIDES FOR LOCAL BUILDING OFFICIALS TO EXERCISE PREVENTIVE MEASURES DURING GRADING TO ELIMINATE OR MINIMIZE DAMAGE FROM GEOLOGIC HAZARDS SUCH AS LANDSLIDES, FAULT MOVEMENTS, EARTHQUAKE SHAKING, RAPID EROSION OR SUBSIDENCE. THIS SUBDIVISION IS LOCATED IN AN AREA WHERE SOME OF THESE HAZARDS MAY EXIST. SOME CALIFORNIA COUNTIES AND CITIES HAVE ADOPTED ORDINANCES THAT MAY OR MAY NOT BE AS EFFECTIVE IN THE CONTROL OF GRADING AND SITE PREPARATION.

PURCHASERS MAY CONTACT THE SUBDIVIDER, THE SUBDIVIDER'S ENGINEER, THE ENGINEERING GEOLOGIST AND THE LOCAL BUILDING OFFICIALS TO DETERMINE IF THE ABOVE-MENTIONED HAZARDS HAVE BEEN CONSIDERED AND IF THERE HAS BEEN ADEQUATE COMPLIANCE WITH APPENDIX CHAPTER 33 OR AN EQUIVALENT OR MORE STRINGENT GRADING ORDINANCE DURING THE CONSTRUCTION OF THIS SUBDIVISION.

3. THIS PROJECT IS A COMMON-INTEREST SUBDIVISION OF THE TYPE REFERRED TO AS A PLANNED DEVELOPMENT. IT INCLUDES COMMON AREAS AND COMMON FACILITIES WHICH WILL BE MAINTAINED BY AN INCORPORATED OWNERS ASSOCIATION.
4. THE ASSOCIATION HAS THE RIGHT TO LEVY ASSESSMENTS AGAINST YOU FOR MAINTENANCE OF THE COMMON AREAS AND OTHER PURPOSES. YOUR CONTROL OF OPERATIONS AND EXPENSES IS LIMITED TO THE RIGHT OF YOUR ELECTED REPRESENTATIVES TO VOTE ON CERTAIN PROVISIONS AT MEETINGS.
5. THE COMMON PROPERTY AND FACILITIES ARE MAINTAINED BY A HOMEOWNER ASSOCIATION. THE HOMEOWNER ASSOCIATION MUST HOLD ELECTIONS OF THE ASSOCIATION'S GOVERNING BODY IN ACCORDANCE WITH ITS GOVERNING DOCUMENTS AND MUST PREPARE AND DISTRIBUTE TO ALL HOMEOWNERS A BALANCE SHEET AND INCOME STATEMENT.

6. THE SUBDIVIDER MUST PAY ALL THE ANNUAL ASSESSMENTS TO THE HOMEOWNERS ASSOCIATION FOR ALL UNSOLD LOTS. THE PAYMENTS MUST COMMENCE ON THE FIRST DAY OF THE MONTH AFTER SUBDIVIDER CLOSES FIRST SALE. (REGULATIONS 2792.9 AND 2792.16.)
7. THE SUBDIVIDER MUST PROVIDE YOU WITH A COPY OF THE ARTICLES OF INCORPORATION, RESTRICTIONS AND BYLAWS, BY FURNISHING YOU COPIES PRIOR TO CLOSE OF ESCROW. THESE DOCUMENTS CONTAIN NUMEROUS MATERIAL PROVISIONS THAT SUBSTANTIALLY AFFECT AND CONTROL YOUR RIGHTS, PRIVILEGES, USE, OBLIGATIONS, AND COSTS OF MAINTENANCE AND OPERATION. YOU SHOULD READ AND UNDERSTAND THESE DOCUMENTS BEFORE YOU OBLIGATE YOURSELF TO PURCHASE A LOT. (SECTION 11018.6 BUSINESS AND PROFESSIONS CODE.)
8. THE SUBDIVIDER STATED HE HAS FURNISHED THE CURRENT BOARD OF OFFICERS OF THE HOMEOWNERS ASSOCIATION THE BUILDING PLANS OF THE AREAS OF THE ASSOCIATION'S RESPONSIBILITY TO INCLUDE DIAGRAMS OF LOCATION OF MAJOR COMPONENTS, UTILITIES, AND RELATED DATA. THESE ITEMS WILL BE IMPORTANT TO THE BOARD OF OFFICERS OR THOSE WHO WILL MANAGE OR REPAIR COMMON FACILITIES IN THIS SUBDIVISION.
9. THE SUBDIVIDER HAS INDICATED THAT HE INTENDS TO SELL ALL OF THE LOTS IN THIS PROJECT; HOWEVER, ANY OWNER, INCLUDING THE SUBDIVIDER, HAS A LEGAL RIGHT TO RENT OR LEASE THE LOTS.
10. IF YOU PURCHASE FIVE OR MORE SUBDIVISION INTERESTS (LOTS) FROM THE SUBDIVIDER, THE SUBDIVIDER IS REQUIRED TO NOTIFY THE REAL ESTATE COMMISSIONER OF THE SALE. IF YOU INTEND TO SELL YOUR INTERESTS OR LEASE THEM FOR TERMS LONGER THAN ONE YEAR, YOU ARE REQUIRED TO OBTAIN AN AMENDED SUBDIVISION PUBLIC REPORT BEFORE YOU CAN OFFER THE INTERESTS FOR SALE OR LEASE.
11. WARNING: WHEN YOU SELL YOUR LOT TO SOMEONE ELSE, YOU MUST GIVE THAT PERSON A COPY OF THE DECLARATION OF RESTRICTIONS, ARTICLES OF INCORPORATION, THE BYLAWS AND A TRUE STATEMENT CONCERNING ANY DELINQUENT ASSESSMENTS, PENALTIES, ATTORNEYS' FEES OR OTHER CHARGES, PROVIDED BY THE RESTRICTIONS OR OTHER MANAGEMENT DOCUMENTS ON THE LOT AS OF THE DATE THE STATEMENT WAS ISSUED.

NOTE: IF YOU FORGET TO DO THIS, IT MAY COST YOU A PENALTY OF \$500.00 -- PLUS ATTORNEY'S FEES AND DAMAGES (SEE CIVIL CODE SECTION 1368).

THE SUBDIVIDER MUST MAKE AVAILABLE TO YOU, COPIES OF THE ASSOCIATION GOVERNING INSTRUMENTS, A STATEMENT CONCERNING ANY DELINQUENT ASSESSMENTS AND RELATED CHARGES AS PROVIDED BY THE GOVERNING INSTRUMENTS AND, IF AVAILABLE, CURRENT FINANCIAL AND RELATED STATEMENTS (SEE BUSINESS AND PROFESSIONS CODE SECTION 11018.6).

12. PRIOR TO COMMENCING CONSTRUCTION OF A RESIDENTIAL STRUCTURE, A BUILDING PERMIT MUST BE OBTAINED FROM THE MODOC COUNTY BUILDING INSPECTOR. DEVELOPER IS INFORMED THAT NO BUILDING PERMIT WILL BE ISSUED UNTIL AN ACCEPTABLE DOMESTIC SOURCE OF

POTABLE WATER HAS BEEN ESTABLISHED ON THE LOT, AND A SEWAGE DISPOSAL SYSTEM HAS BEEN APPROVED BY THE MODOC COUNTY HEALTH DEPARTMENT. PURCHASERS ARE ADVISED TO CONTACT THE COMMUNITY SERVICES DISTRICT, THE MODOC COUNTY OFFICIALS AND THE PROPERTY OWNERS ASSOCIATION ARCHITECTURAL CONTROL COMMITTEE PRIOR TO COMMENCING CONSTRUCTION ON ANY LOT.

13. THE COUNTY OF MODOC ADVISES THAT THE USE OF A LOT BY THE LOT OWNER FOR CAMPING IN A SELF-CONTAINED RECREATIONAL VEHICLE CANNOT EXCEED THIRTY (30) CONSECUTIVE DAYS OR A TOTAL OF NINETY (90) CALENDAR DAYS IN ONE YEAR.
14. NOTWITHSTANDING ANY PROVISION IN THE PURCHASE CONTRACT TO THE CONTRARY, A PROSPECTIVE BUYER HAS THE RIGHT TO NEGOTIATE WITH THE SELLER TO ALLOW AN INSPECTION OF THE PROPERTY BY THE BUYER OR THE BUYER'S DESIGNEE UNDER TERMS MUTUALLY AGREEABLE TO THE PROSPECTIVE BUYER AND SELLER.
15. THIS REPORT COVERS THE FOLLOWING LOTS:

These Lots were registered on September 22, 1972:

<u>BLOCK</u>	<u>LOTS</u>
1	5, 6
2	21, 22, 31, 36, 43, 51, 52, 54, 55, 57
3	2, 15, 19, 20, 21, 38, 39, 47
4	4, 6, 18
5	5, 13, 14, 27, 33, 34, 35, 44, 48, 51, 57, 66, 67, 75, 77, 82, 84, 85, 87, 88, 90, 91, 92, 98
6	15, 52, 64, 65, 67, 71, 72, 84
7	8, 9, 10, 13, 18
8	12, 24, 25, 26
9	2, 9, 22, 23, 27, 29, 32, 33, 35, 43, 47
10	25, 26, 31
11	2, 4, 10, 26, 39, 40, 45, 50, 57, 58, 59, 61, 63, 64, 65, 75, 85, 90, 94
12	1, 4, 6, 7, 15, 16, 19
13	17, 23, 42, 45, 46, 52, 56, 59, 61, 62, 72, 74, 94
14	3, 6, 7, 8, 9, 10
15	4, 5, 12, 14, 17, 20, 24, 29, 30, 31

BLOCK**LOTS**

16	15, 16, 29, 30, 36, 55
17	4, 9, 10
18	3, 4, 5, 8, 9, 10, 17, 20, 24, 26, 32, 47, 70, 72, 82, 83, 90, 91, 92, 95
19	15, 19, 20, 21, 34
20	18, 25, 32, 37, 41, 43, 50, 51, 52, 53
21	11, 17, 21
22	1, 6, 19, 54, 92, 99
23	31, 32, 48
24	5, 42, 65, 67, 81, 82, 83
25	2, 3, 4, 16, 25
26	17, 26, 27, 31
29	1, 3, 14, 27, 29, 51, 64, 65, 66, 77
30	5, 15
31	2, 9, 17, 63, 64
32	18
33	29, 33, 38
34	5, 30, 31, 47, 48
35	2, 27
36	5, 17
37	1, 6, 23, 24, 39
38	11, 29, 30, 47
39	14, 15, 33, 35, 42, 52
43	18, 20, 25
44	3
45	5, 7, 10
46	33, 34, 35, 80, 81, 90, 93

47	9, 11
<u>BLOCK</u>	<u>LOTS</u>
48	8, 40, 48
49	7, 18, 32, 36, 39, 76, 79, 81
50	63
51	11, 26
52	11
53	3, 4, 5, 15, 29, 33, 53, 60, 72, 76
54	11, 12, 13, 32, 33, 34, 38, 55, 59, 60, 61, 83, 99
55	14, 23, 25, 34, 55
56	10, 11, 33, 35, 54, 73, 75, 76, 77, 78
57	1, 16, 42, 50, 67, 69
60	23, 52
62	1, 2, 3, 40, 41, 42, 48
63	24, 26, 41, 44, 54, 55, 56
64	3
65	4, 18, 19, 20, 25, 34, 55, 56, 57, 64, 78, 79, 80, 82
66	17, 20, 25, 41, 50, 51, 54, 62, 73, 78
67	19, 23, 26, 27, 32, 46, 47, 54
68	12, 16, 21, 34, 43, 46
69	9, 22, 29, 30
70	12, 21, 23, 24, 32, 34, 46
71	6, 9, 11, 15, 17, 21, 23, 28, 32, 35, 36, 38, 47, 52, 56
72	6, 12, 13, 14, 21, 22, 30
73	9, 19, 28, 36, 40, 53
74	48, 57, 64, 67
75	3, 10, 13

76	6, 33, 34, 35, 61, 72
77	8, 12, 28, 29, 30, 43, 45, 51
78	5, 9, 11, 12, 27, 28, 29, 46, 47, 48, 53, 77, 88

INTERESTS TO BE CONVEYED: You will receive fee title to a specified lot, together with a membership in the "California Pines Property Owners Association" and rights to use the common area.

LOCATION AND SIZE: This subdivision is located in Modoc County approximately 17 miles from Alturas, over paved roads. The population of this city is approximately 3,000. This unit is approximately 1,338 acres divided into 1,227 lots or parcels. Lots average one acre each.

This unit is part of an overall project consisting of approximately 15,000 lots in 9 units, as well as common areas consisting of greenbelt areas, trails, park easements, and the following common facilities, which are complete: One swimming pool and two paddle tennis courts (all in Lake Unit 1-B), and a bath house facility and an RV dump station (all in Lake Mobile Home Park); and private roads throughout the project.

MANAGEMENT AND OPERATION: The California Pines Property Owners Association, which you must join, manages and operates the common areas in accordance with the Restrictions, Articles of Incorporation and the Bylaws.

MAINTENANCE AND OPERATIONAL EXPENSES: The Association has submitted a budget for the maintenance and operation of the common areas and for long-term reserves. The budget was reviewed by the Department of Real Estate in July 2007. You should obtain a copy of this budget from the subdivider. Under this budget, the annual assessment against each subdivision lot is \$35.00.

IF THE BUDGET FURNISHED TO YOU BY THE DEVELOPER SHOWS A MONTHLY ASSESSMENT FIGURE WHICH IS AT LEAST 20% MORE OR AT LEAST 10% LESS THAN THE ASSESSMENT AMOUNT SHOWN IN THIS PUBLIC REPORT, YOU SHOULD CONTACT THE DEPARTMENT OF REAL ESTATE BEFORE ENTERING INTO AN AGREEMENT TO PURCHASE.

The association may increase or decrease assessments at any time in accordance with the procedure prescribed in the CC&R's or Bylaws. In considering the advisability of a decrease (or a smaller increase) in assessments, care should be taken not to eliminate amounts attributable to reserves for replacement or major maintenance.

The Department of Real Estate Appraiser notes that due to the limitation of assessments imposed by the CC&Rs and the project budget deficit, the current budget maybe inadequate to meet project obligations of the homeowner's association. Special assessments may be needed in the future to maintain the solvency of this Association. Purchasers may wish to review the Homeowner's Association's Financial Statements and Projected Budget and discuss their impact upon their transaction with a real estate advisor and the sellers prior to executing a Purchase Agreement.

THE BUDGET INFORMATION INCLUDED IN THIS PUBLIC REPORT IS APPLICABLE AS OF THE DATE OF BUDGET REVIEW AS SHOWN ABOVE. EXPENSES OF OPERATION ARE DIFFICULT TO PREDICT ACCURATELY AND EVEN IF ACCURATELY ESTIMATED INITIALLY, MOST EXPENSES INCREASE WITH THE AGE OF FACILITIES AND WITH INCREASES IN THE COST OF LIVING.

Annual assessments have commenced on all lots.

The remedies available to the association against owners who are delinquent in the payment of assessments are set forth in the CC&R's. These remedies are available against the subdivider as well as against other owners.

EASEMENTS: Easements for utilities, drainage, rights-of-way, and other purposes are shown on the Title Report and Subdivision Map recorded in the Office of the Modoc County Recorder, Book 2 of Maps, Page 293.

RESTRICTIONS: This subdivision is subject to Restrictions such as covenants, conditions, restrictions, reservations and easements, as recorded in the Office of the Modoc County Recorder, Book 219, Page 398.

FOR MORE INFORMATION AS TO YOUR OBLIGATIONS AND RIGHTS, YOU SHOULD READ THE RESTRICTIONS. THE SUBDIVIDER SHOULD MAKE THEM AVAILABLE TO YOU.

MINERAL RIGHTS: You will not own the mineral, oil and gas rights under your land. The right to surface entry has been waived.

USES AND ZONING: The Unit is zoned RH-Residential High Density.

The Modoc County Planning Department states the following concerning flood information:

At this time the flood elevations have not been determined within the California Pines Subdivision. Any building permits submitted for lots within the 100-year flood hazard zone would require an Elevation Certificate.

Unfortunately, our Department does not provide this service, nor have the staff capabilities to provide this information. I recommend that you refer to disclosuresave.com or another subscriber service for this information.

Anderson Engineering & Surveying, Inc. has reviewed the flood prone potential of requested areas of the California Pines Subdivision. Our findings are as follows:

Units 1 to 5:

Zone C as per FEMA — Subject to minimal flooding. Small localized flooding may occur on lots abutting small drainages. Overall, the flood potential of these lots is low.

Lake Unit 1A:

Areas adjacent to the Pit River are in Zone A – areas of 100 year floor plain. This is generally the area on the north side of Unit1A.

All other areas of Lake Unit 1A are in Zone C and subject to minimal flooding.

TAXES: The maximum amount of any tax on real property that can be collected annually by counties is 1% of the full cash value of the property. With the addition of interest and redemption charges on any indebtedness, approved by voters prior to July 1, 1978, the total property tax rate in most counties is approximately 1.25% of the full cash value. In some counties, the total tax rate could be well above 1.25% of the full cash value. For example, an issue of general obligation bonds previously approved by the voters and sold by a county water district, a sanitation district or other such district could increase the tax rate.

For the purchaser of a lot in this subdivision, the full cash value of the lot will be the valuation, as reflected on the tax roll, determined by the county assessor as of the date of purchase of the lot or as of the date of completion of an improvement on the lot if that occurs after the date of purchase.

Notice of Your Supplemental Property Tax Bill

"California property tax law requires the Assessor to revalue real property at the time the ownership of the property changes. Because of this law, you may receive one or two supplemental tax bills, depending on when your loan closes. The supplemental tax bills are not mailed to your lender. If you have arranged for your property tax payments to be paid through an impound account, the supplemental tax bills will not be paid by your lender. It is your responsibility to pay these supplemental bills directly to the Tax Collector. If you have any questions concerning this matter, please call your local Tax Collector's Office."

ASSESSMENTS: This subdivision is located within the boundaries of the California Pines Community Services District and is subject to any taxes and assessments thereof.

The District provides the following:

Water Hookup

Assessment District (Units 1B, 4 & MHP)	\$ 400.00
Outside Assessment District (Castle Rock & part of Unit 2)	\$ 2,100.00
Plus hookup fee	\$ 400.00

Wastewater Hookup

Mobile Home Park	\$ 400.00
Lake Unit 1B (assessment district)	\$ 300.00
Lake Unit 3	\$ 600.00

Lake Unit 4 or outside assessment area

\$ 2,600.00

Monthly Service Charges

Water	\$ 20.50
Waster Water	\$ 21.00
Trash Service	\$ 9.50

You are allowed 2 cans per week for trash. All extra cans will cost \$1.50 extra per can. Water will be metered from April 30th each year until October 31st each year. All accounts are due and payable by the 25th of each month. If you fail to pay, interest will be charged and you will be subject to discontinuance of services and/or legal action.

New Customers: A deposit of twice the charged fee is required before service will start. This will be returned to customer upon moving or 1 year of on-time paying of account.

CONDITIONS OF SALE: If your purchase involves financing, a form of deed of trust and note will be used. The provisions of these documents may vary depending on the lender selected. These documents may contain the following provisions:

Acceleration Clause: This is a clause in a mortgage or deed of trust which provides that if the borrower (trustor) defaults in repaying the loan, the lender may declare the unpaid balance of the loan immediately due and payable.

Due-On-Sale Clause: If the loan instrument for financing your purchase of an interest in this subdivision includes a due-on-sale clause, the clause will be automatically enforceable by the lender when you sell the property. This means that the loan will not be assumable by a purchaser without the approval of the lender. If the lender does not declare the loan to be all due and payable on transfer of the property by you, the lender is nevertheless likely to insist upon modification of the terms of the instrument as a condition to permitting assumption by the buyer. The lender will almost certainly insist upon an increase in the interest rate if the prevailing interest rate at the time of the proposed sale of the property is higher than the interest rate of your promissory note.

A Balloon Payment: This means that your monthly payments are not large enough to pay off the loan, with interest, during the period for which the loan is written and that at the end of the loan period, you must pay the entire remaining balance in one payment. If you are unable to pay the balance and the remaining balance is a sizeable one, you should be concerned with the possible difficulty in refinancing the balance. If you cannot refinance or sell your property, or pay off the balloon payment, you will lose your property.

A Prepayment Penalty: There is no prepayment penalty on this offering.

A Late Charge. This means that if you fail to make your installment payment on or before the due date or within a specified number of days after the due date, you, in addition must pay a penalty.

BEFORE SIGNING, YOU SHOULD READ AND THOROUGHLY
UNDERSTAND ALL LOAN DOCUMENTS.

PURCHASE MONEY HANDLING: The subdivider must impound all funds received from you in an escrow depository until legal title is delivered to you. [Refer to Section 11013.4(a) of the Business and Professions Code.]

If the escrow has not closed on your lot within 180 days of the date of your purchase agreement, you may request return of your deposit.

NOTE: Section 2995 of the Civil Code provides that no real estate developer shall require as a condition precedent to the transfer of real property containing a single family residential dwelling that escrow services effectuating such transfer shall be provided by an escrow entity in which the developer owns or controls 5% or more of the escrow entity.

THE SUBDIVIDER HAS AN NO INTEREST IN THE ESCROW
COMPANY WHICH IS TO BE USED IN CONNECTION WITH THE SALE
OR LEASE OF LOTS IN THIS SUBDIVISION.

SOILS CONDITIONS: A Soils Report has been waived by local authority.

WATER: There is no regular water service to this tract. Private water wells are the only source of water to this tract and you will be required to pay all costs to have a well installed.

Private water systems are required for water supply in Hill Units 1-5, and Lake Unit 1A, and a central water system serves as the water supply for Lake Units 1B & 4. Lake Unit 2 is on Well and Septic Systems.

Domestic water wells in the California Pines Mountain Units 1 through 5 can vary in depth from 100' to 500' depending on location, and even deeper in some extreme higher locations. There exists an average of 220' VS 300 as the average depth for a well.

Per foot costs for 6" domestic well drilling:

6-5/8" steel casing surface	\$32.00 per ft.
6" soft formation drilling	\$22.00 per ft.
6" rock drilling	\$24.00 per ft.
County well permit	\$50.00

Example only for 300' deep well:

30' 6-5/8" steel casing surface	\$32.00 per ft.	\$ 960.00
100' 6" soft formation drilling	\$22.00 per ft.	\$ 2,200.00
200' 6" rock drilling	\$24.00 per ft.	\$ 4,800.00
County well permit		\$ 50.00
	TOTAL	\$ 8,010.00

To install pump, pipe, wire and tank in above well and depending on pump volume, size and depth set is approximately \$3,900.00.

Domestic water wells vary in depth depending on location. An average well depth is approximately 220'.

Example only for 220' deep well:

30'	6-5/8" steel casing surface	\$32.00 per ft.	\$ 960.00
220'	6" soft formation drilling	\$22.00 per ft.	\$ 4,840.00
	County well permit		\$ 50.00
		TOTAL	\$ 5,850.00

To install pump, pipe, wire and tank in above well and depending on pump, volume, size and depth set is approximately \$3,200.00.

To install a fire holding tank would be approximately \$4,000.00.

There is no guarantee of the quality and quantity or availability of sufficient potable domestic water on any lot in this Unit.

The State Water Code requires a Notice of Intention to drill a well and a Report of Completion to be filed with the Department of Water Resources.

FIRE PROTECTION: The Department of Forestry and Fire Protection state the following:

The California Department of Forestry and Fire Protection (CDF) provides fire protection for the wildlands of California designated State Responsibility Areas (SRA). All of the California Pines subdivision is within SRA. Our primary mission is to respond to wildland fires and other fires that threaten the wildland during the summer fire season. When available, we will also respond to structure fires, vehicle accidents and medical aids as well as declared emergencies when requested by the Office of Emergency Services (OES) or the Modoc County Sheriff's Office.

CDF provides service through the Lassen-Modoc Unit (LMU) headquartered in Susanville. LMU is divided into 4 battalions with Battalion four headquartered in Alturas, approximately 10 minutes from the Cal Pines Lake Units. Alturas Station has two fire engines. The Cal Pines Lake Units is served by one CDF engine located in the Cal Pines Fire District Deer Springs Station located in Hill Unit 3. Between the two stations, CDF can respond to any Cal Pines fire within 15 to 20 minutes. LMU also has a fire dozer and 4 inmate hand crews located at Devil's Garden Conservation Camp. The Camp is approximately 10 miles northwest of Alturas and can respond to Cal Pines within 1 hour.

During the declared fire season, LMU mans its 8 stations 24 hours a day. Declared fire season is usually between the middle of June to the end of October. During the non fire season, LMU can man one fire engine in Alturas for 8 hours from Monday through Thursday on an irregular basis due to vacations and training schedules.

The California Pines subdivision is also protected by the California Pines Community Service District which provides paid / volunteer fire protection throughout Lake Units 1A, 2, 3, & 4 and the mobile home park. The California Pines Community Service District also provides volunteer only fire protection in Hill Units 1-5 from October through June. Cal fire provides protection from June through September.

If you have any further questions, please call (530) 233-6695.

GAS: Natural gas will not be available to the subdivision and the use of propane gas for heating and cooking purposes is allowed. Supplies are located in Alturas.

The subdivider provided the following from a supplier, (dated Jan. 2006):

Below is a list of our services for the California Pines Property Owners, includes all subdivisions, as of January 2006:

TANK CAPACITY	TANK RENTAL	PRICE PER GALLON
172 tank	\$21.00 per year	\$2.178
288 tank	\$24.00 per year	\$2.178
499 tank	\$36.00 per year	\$2.178

Price of fuel is subject to change according to the wholesale price and season. Service labor is charged \$50.00 per hour. The cost to install propane gas lines from the tank to the house range between \$100.00 up to \$300.00. Sales tax is not included in the prices above. There is a \$100.00 deposit required for all new accounts.

ELECTRICITY: The Surprise Valley Electrification Corporation of Alturas advises the following:

Surprise Valley Electrification Corp. provides electrical service to the California Pines development near Alturas, California. We will extend power to individual lots at the cost of \$4.00 per foot. This charge is for both overhead and underground power line construction. A customer will provide the ditch if they choose to have the power line installed underground once it is on their property.

Surprise Valley Electrification Corp. is a membership cooperative. Each individual that receives power from Surprise Valley Electric is a member-owner of the cooperative. Each member must pay a \$5.00 membership fee and \$10.00 connect fee to receive service. The typical deposit for residential service is \$100.00. This deposit will be applied to the account on request after twelve months of service without any delinquencies.

The average energy use for a residential customer is 1018 kilowatt-hours per month, which is a monthly bill of \$74.

Please call (530) 233-3511 if you need more specific rate information and have additional questions concerning our service.

TELEPHONE: The subdivider advises:

Wire telephone is not available, however, cellular telephone service is available. The address and telephone numbers of the two cellular telephone service providers are:

U.S. Cellular
209 South Howard Street
Alturas, CA 96101
(530) 233-4422

SEWAGE DISPOSAL: Septic systems will be used for sewage disposal. You must pay for your septic system. A local installer estimates the costs to be approximately \$5,000-\$7,000. Closed vault septic systems are sometimes permitted in this Unit, subject to County approval. Costs of other types of septic systems, or for larger than average systems, can be anticipated to be greater than costs of a conventional system. Prior to purchasing a lot and commencing construction, you should contact the local health department for specifications, requirements and any local problems. You will be required to have a percolation test on your lot to receiving approval from Modoc County to install septic tank or other individual sewage system. You should be aware that any particular lot may or may not pass such a test.

STREETS AND ROADS: The roads have been completed and are common area, public streets. Their maintenance is the responsibility of the County or the Property Owners Association. California Pines Boulevard is a paved County maintained road. Other roads in this unit are private graded roads, graveled in some areas.

Use of the existing roadways is now being shared with the Walker Hovey Company, et al., for access to adjacent forest property. Pursuant to a judgment dated November 1, 1977, in Modoc Superior Court, Case Number 8623, purchasers from the developer have the right to use certain of the Walker Hovey Company's roads. Walker Hovey Company has the right to use certain roads in California Pines. The roads may be used to haul timber and forest products. The user is required to return the roads to as good a condition as that immediately prior to the logging operation.

SCHOOLS: This project lies within the Modoc Joint Unified School District. This District advises that the schools initially available to this subdivision are:

Arlington Elementary School (K-6)
Highway 299 East
Canby, CA 96015
(530) 233-7201, ext. 241

Modoc Middle School (6-8)
906 West 4th Street
Alturas, CA 96101
(530) 233-7201, ext. 301

Modoc High School (9-12)
900 North Main Street
Alturas, CA 96101
(530) 233-7201, ext. 401

This school information was provided prior to the date of issuance of this public report and is subject to change. For the most current information regarding school assignments, facilities and bus service, purchasers are encouraged to contact the above school district.

If you need clarification as to the statements in this Public Report, or if you desire to make arrangements to review the documents submitted by the subdivider which the Department of Real Estate used in preparing this Public Report, you may call (916) 227-0813.